DOCUMENT RESUME

ED 450 259 CE 081 412

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TITLE Connecticut's Jobs First Program: An Analysis of Welfare Leavers.
INSTITUTION Manpower Demonstration Research Corp., New York, NY.
SPONS AGENCY Connecticut State Dept. of Social Services, Hartford.; Department of Health and Human Services, Washington, DC.; Ford Foundation, New York, NY.; Smith Richardson Foundation, Inc., Greensboro, NC.
PUB DATE 2000-12-00
NOTE 29p.; Dissemination supported by the Ambrose Monell Foundation, Alcoa Foundation, and James Irvine Foundation. Also supported by the Arco Foundation, Grable Foundation, Ewing Marion Kauffman Foundation, Open Society Institute, and Union Carbide Foundation.
AVAILABLE FROM Manpower Demonstration Research Corporation, 16 East 34 Street, New York, New York 10016; Tel: 212-532-3200; Web site: http://www.mdrc.org. For full text: http://www.mdrc.org/Reports2001/CT-WelfareLeavers/CT-WelfareLeavers.pdf.
PUB TYPE Reports - Research (143)
EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Adult Education; Client Characteristics (Human Services); Economically Disadvantaged; Eligibility; *Employment Patterns; *Employment Programs; *Financial Support; Low Income; Models; Program Evaluation; *State Programs; Welfare Agencies; *Welfare Recipients; Welfare Services
IDENTIFIERS *Connecticut; Time Limited Welfare; Welfare to Work Programs

ABSTRACT

This report focuses on people who entered the Jobs First evaluation when they were applying for or receiving cash assistance in the Manchester and New Haven (Connecticut) Department of Social Services offices between January-June 1996 and who left cash assistance within 18 months after entering the program (before reaching the 21-month time limit). Section II describes methodology used in analyses. Section III reviews the Jobs First program model, highlighting aims and these key program features: time limit, earned income disregard, and mandatory "work first" employment services. Section IV examines baseline characteristics of leavers and non-leavers. Section V presents data on employment, earnings, cash assistance receipt, and Food Stamp use from the quarter before sample members exited from welfare to the fourth quarter after exit. Section VI presents characteristics of leavers at the 18-month interim survey. Section VII examines leavers in relation to the time limit. Section VIII concludes the following: one key effect of Connecticut's unusually generous earned income disregard is that individuals who left welfare for work before reaching the time limit typically had relatively good jobs and did not return to welfare quickly; because of the way the time limit is implemented, sample members who left owing to the time limit were very likely to be employed; a large proportion of leavers lack health insurance; and many leavers have low household incomes. (YLB)

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Connecticut's Jobs First Program:

An Analysis of Welfare Leavers

Laura Melton
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The Manpower Demonstration Research Corporation's evaluation of Connecticut's Jobs First program is funded under a contract with the Connecticut Department of Social Services and with support from the U.S. Department of Health and Human Services, the Ford Foundation, and the Smith Richardson Foundation.

Dissemination of MDRC publications is also supported by MDRC's Public Policy Outreach funders: the Ford Foundation, Ambrose Monell Foundation, Alcoa Foundation, and James Irvine Foundation. In addition, the following organizations support MDRC's expanding efforts to communicate the results and implications of our work to policymakers, practitioners, and others: the Arco Foundation, Grable Foundation, Ewing Marion Kauffman Foundation, Open Society Institute, and Union Carbide Foundation.

The findings and conclusions presented in this report do not necessarily represent the official positions or policies of the funders.

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Executive Summary

This report provides data on families who have left cash assistance in Connecticut. The report was produced by the Manpower Demonstration Research Corporation (MDRC), which is conducting a large-scale evaluation of Jobs First, Connecticut's welfare reform initiative, under a contract with the state's Department of Social Services (DSS). Other reports issued by MDRC have described the implementation of Jobs First, its impacts on employment and welfare outcomes, and the circumstances of families who left welfare because of Jobs First's 21-month time limit on cash assistance receipt.

This report focuses mainly on people who entered the Jobs First evaluation when they were applying for or receiving cash assistance in the Manchester and New Haven DSS offices between January and June 1996, and who left cash assistance at some point within 18 months after entering the study (before reaching the 21-month time limit).

Many of the outcomes for welfare leavers in Connecticut are shaped by the state's unusual financial work incentive, which allows working cash assistance recipients to retain their entire welfare grant as long as their earnings are below the federal poverty level. This generous policy, known as an earned income disregard, means that many of the cash assistance recipients who find jobs remain on welfare at least for a time, and thus do not become welfare leavers.

About half of the welfare leavers were employed in the immediate post-welfare period. This rate is fairly low compared to the rates found in similar studies in other states, presumably because of the enhanced disregard. In other states, a greater proportion of those who find jobs become welfare leavers whereas, in Connecticut, they are more likely to remain on welfare. A positive side-effect of the disregard is that the leavers who are employed have relatively higher earnings, averaging around $3,400 per quarter. Again, this is because people with earnings below the poverty level are likely to remain on welfare.

About one-fourth of those who left welfare returned to cash assistance within one year after leaving. This rate is somewhat lower than in other states, possibly because the individuals who left welfare for work in Connecticut had fairly good-paying jobs. Less than one-third of the welfare leavers received Food Stamps after leaving welfare; however, no data are available on what proportion of these families were actually eligible for Food Stamps.

In a survey conducted 18 months after people entered the study, respondents who were off welfare when interviewed reported average monthly household income of just over $1,500. Just over 70 percent had health insurance, usually through Medicaid. A little less than half reported that they owned a car. In general, it appeared that non-working leavers were worse off than working leavers, although only a small number of non-working leavers were interviewed.

Finally, the report briefly compares individuals who left welfare due to the 21-month time limit with those who left welfare before reaching the time limit, finding that the time-limit leavers had a much higher rate of employment. This is because of the way Connecticut's time limit is implemented: for the most part, recipients who reach the time limit without employment are granted at least one six-month extension of their benefits; thus, most of the people whose benefits are canceled at the time limit are employed.

I. Introduction

Connecticut's Jobs First program is a statewide welfare reform initiative that began operating in January 1996. Jobs First was one of the earliest statewide programs to impose a time limit on welfare receipt: families are limited to 21 months of cash assistance unless they receive an exemption or extension. The program also includes generous financial work incentives and requires recipients to participate in employment-related services.

This report has been prepared as part of a large-scale evaluation of the Jobs First program being conducted by Manpower Demonstration Research Corporation (MDRC). The evaluation is funded under a contract with the Connecticut Department of Social Services (DSS) — the agency that administers Jobs First — and with support from the U.S. Department of Health and Human Services, the Ford Foundation, and the Smith Richardson Foundation. The study focuses on two welfare offices — Manchester and New Haven — which together include more than one-fourth of the state's welfare caseload. To facilitate the study, between January 1996 and February 1997 several thousand welfare applicants and recipients (most of them single mothers) were assigned, at random, to one of two groups: the *Jobs First group*, whose members are subject to the welfare reform policies, and to the *Aid to Families with Dependent Child (AFDC) group*, whose members are subject to the prior welfare rules. Because people were assigned to the groups through a random process, any differences that emerge between the two groups over time can reliably be attributed to Jobs First.

This report is one of a series produced by MDRC as part of the Jobs First evaluation.[1] It examines "welfare leavers" — sample members who left cash assistance. It focuses on the Jobs First group, using the AFDC group as a point of reference. Doing so allows the study to compare outcomes under welfare reform to outcomes under the prior system. This is unique for a leaver's study, as most others have only examined recipients subjected to welfare reform programs.[2]

The first section describes the methodology used in the report's analyses. The second section reviews the Jobs First program model, highlighting its aims and structural characteristics. The following section presents the baseline characteristics of leavers and non-leavers. Next, leavers' employment, welfare receipt, and Food Stamp usage is presented over time and compared to similar studies. After that, characteristics of leavers at the 18-month interim survey are presented. The last section examines leavers in relation to the time limit.

II. Methodology

A. Data Sources

This report uses several data sources. Computerized administrative records provided by the state to measure individuals' monthly AFDC or Temporary Family Assistance (TFA) benefits, monthly Food Stamp benefits, and quarterly earnings in jobs covered by the state's

[1] MDRC produced reports on Jobs First's implementation in 1997 and 1998 and published a full-scale Interim Report in March 2000. In addition, MDRC has produced two reports on the post-welfare status of families whose cases were closed at the Jobs First time limit.

[2] "Leavers" and Diversion Studies: Summary of Research on Welfare Outcomes Funded by ASPE. Report prepared by the office of the Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services.

unemployment insurance (UI) system were used.[3] Also used were baseline questionnaires administered when sample members entered the study and a survey of a subsample of about 800 sample members conducted roughly 18 months after each person's date of random assignment. Data from the Connecticut Eligibility Management System (EMS), which provided information on exemptions, sanctions, and other outcomes for all Jobs First group members, were also used.

Sections of this report use the different data sources in order to examine leavers from several angles. Baseline information data were useful for describing the characteristics of sample members who left welfare (and those who did not). Administrative records allowed us to track leavers over time. Survey data gave a detailed snapshot of the sample at the 18-month mark. The EMS data helped to determine which sample members left because of the time limit.

B. Definition of a Welfare Leaver

Several different definitions of welfare leavers are used in the report for reasons discussed below. It is important to note at the outset that most of the report focuses on individuals who left welfare within 18 months after their random assignment date – and thus does not include information about people who left because of the time limit. Limited data about a small group of time-limit leavers are presented in the final section of the report.

Sections IV and V (Characteristics of Leavers at Baseline and Employment, Earnings, Cash Assistance and Food Stamp Usage Over Six Quarters, respectively) define welfare leavers as sample members who, according to DSS administrative records, left cash assistance for two or more consecutive months within the first 18 months after random assignment. While it is possible that people exited welfare multiple times, sections IV and V focus on the first time that they left welfare after random assignment.[4] These sections draw leavers from the early cohort, that is, sample members who were randomly assigned within the first 6 months of the study (January-June 1996).[5] At least 30 months of post-random assignment administrative records data are available for this cohort, allowing us to draw initial conclusions about the first year after exit for those who left within 18 months after random assignment. MDRC's March 2000 Interim Report established that the early cohort had comparable outcomes to those of the full sample.

Section VI (Characteristics of Leavers at the 18-Month Interim Survey) defines leavers as those who reported not receiving cash assistance in the month prior to the survey interview and whose administrative records data indicated that they had not received assistance for at least two consecutive months prior to the interview date.

As noted earlier, only Section VII (The Time Limit) includes information about time-limit leavers. That section compares two groups: Jobs First leavers who left because of the time limit and Jobs First leavers who left for reasons unrelated to the time limit. The Jobs First sample members who left welfare because of the time limit were not required to have been off of welfare for two consecutive months in order to be considered a leaver. This section is also restricted to members of the early cohort.

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[3] TFA is the name of the cash assistance program that replaced AFDC in Connecticut in 1996.

[4] The number of times members left welfare did not differ between Jobs First and AFDC leavers; the majority of both groups had a single exit spell.

[5] All analyses in this report exclude "child-only" cases in which no adult was included in the AFDC/TFA grant.

C. Miscellaneous Notes

Because the UI records data report quarterly earnings, sections using those data present results by quarter. The quarter of exit is defined as the quarter containing the last month of cash assistance receipt. In addition, some sample members entered the study when they applied for welfare, but never received cash assistance. They are excluded from all analyses presented in this report except those presented in Table 1. Furthermore, in the sections on leavers that use UI records data, a sample member is defined as employed in a particular quarter if she earned more than $100 in the quarter. Lastly, significance levels are not presented in the tables after Table 1 because the comparisons presented after that point are nonexperimental (that is, differences in outcomes between leavers and non-leavers may be attributable to the differing characteristics of people in those groups).

III. The Jobs First Program Model

In order to interpret the results below, it is critical to understand the key features of the Jobs First model and how they differ from AFDC rules. The key program features are:

- **A time limit.** Jobs First limits families to a cumulative total of 21 months of cash assistance receipt. Certain families, such as those in which the parent is incapacitated, are exempt from the time limit. In addition, recipients who reach the time limit may receive (renewable) six-month extensions of their benefits if they have made a good-faith effort to find employment but have family income below the welfare payment standard (the maximum monthly grant for their family size), or if they face circumstances beyond their control that prevent them from working. Families whose cases are closed but who have income below the payment standard are referred to the Safety Net, a program administered by nonprofit organizations that aims to prevent harm to children in such families.

- **An earned income disregard.** To encourage and reward work, all earned income is disregarded (that is, not counted) in calculating recipients' cash grants (and Food Stamp benefits) as long as their earned income is below the federal poverty level. Recipients become ineligible for cash assistance if their earnings are at or above the poverty level. A parent with two children who was working 40 hours per week at $6.25 per hour would have $688 more in total monthly income under Jobs First than under AFDC.[6]

- **Mandatory "work first" employment services.** Unless they were exempt, Jobs First policy required recipients to begin looking for a job, either on their own or through Job Search Skills Training (JSST) courses that teach job-seeking and job-holding skills. Education and training were generally restricted to those who were unable to find a job despite lengthy upfront job

[6]The rules for counting earnings to determine initial eligibility for assistance are similar for the two groups. In addition, the AFDC group was subject to "fill the gap" budgeting, a methodology that provides a stronger work incentive than the traditional AFDC rules used in many other states.

Table 1

Connecticut's Jobs First Program

Impacts on Combining Work and Welfare in the Sixth Quarter After Random Assignment

Outcome	Jobs First Group	AFDC Group	Difference		Percentage Change
Received AFDC/TFA	64.6	59.9	4.7	**	7.8
Employed	56.0	45.7	10.3	***	22.5
Employed and receiving AFDC/TFA	38.2	20.8	17.4	***	83.6
Not employed and receiving AFDC/TFA	26.4	39.1	-12.7	***	-32.6
Employed and not receiving AFDC/TFA	17.8	24.9	-7.1	***	-28.6
Neither employed nor receiving AFDC/TFA	17.6	15.2	2.4		16.1
Sample size	1,059	1,081			

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records and Connecticut AFDC/TFA records.

NOTES: The sample includes members randomly assigned between January and June 1996.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

The follow-up period begins with the first calendar quarter following the quarter in which the case was randomly assigned. The quarter of random assignment is omitted from the follow-up period because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Distributions may not add to 100 percent because of rounding.

search activities.[7] Recipients who failed to meet these requirements could be sanctioned. During the first 21 months of assistance, sanctions involved reducing their welfare grant or closing their case for three months. The penalties become stricter after the time limit: a single instance of noncompliance during an extension may result in *permanent* discontinuance of the entire welfare grant (the "one-strike" policy).

Jobs First policies called for other changes in traditional welfare rules. For example, the program imposes a partial "family cap": when a recipient gave birth to a child who was conceived while she received welfare, her benefits were increased by about half as much as they would have been under prior rules. In addition, Jobs First participants received two years of transitional Medicaid coverage after leaving welfare while employed (as opposed to the one year of coverage provided under prior law).

One would expect that these differences in program rules — in particular, the enhanced earned income disregard — would shape the characteristics of leavers in the two groups. For example, the earnings disregard allows many employed Jobs First group members to continue receiving cash assistance and therefore serves as a disincentive for leaving welfare. This is illustrated in Table 1, drawn from the Jobs First Interim Report. These results, for the 6th quarter of the follow-up period (before sample members began reaching the time limit), show that Jobs First increased employment overall, but substantially *reduced* the proportion of sample members who were employed and *off* welfare. This is because employed Jobs First group members were much more likely to continue receiving welfare. Thus, among those *off* welfare in quarter 6, about half of Jobs First group members were employed, compared with about two-thirds of AFDC group members.[8]

IV. Characteristics of Leavers at Baseline

This section examines the baseline characteristics of leavers and non-leavers. The leavers discussed in this section are those early cohort sample members who received cash assistance, but left for at least two consecutive months in the first 18 months after random assignment (thus, recipients who left due to the 21-month time limit are not considered). Forty-five percent of the early cohort sample members were considered leavers by this definition.

Table 2 presents characteristics of Jobs First leavers and non-leavers at the time of random assignment. Leavers were less likely to have received welfare for at least 5 years prior to random assignment, were less likely to be black, and were less likely to live in public or subsidized housing than non-leavers. The last result may reflect the differing work incentives for families with subsidized rent (i.e., the amount of rent these families are required to pay rises as

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[7] Jobs First's employment services have evolved over time toward a "balanced" work first approach with a somewhat stronger emphasis on education and training. However, the individuals who are studied in this report entered the program early on, when there was a strong emphasis on immediate job placement.

[8] These proportions can be derived from the numbers in Table 1. Among the Jobs First group, 35.4 percent were off welfare in Quarter 6 (the table shows that 64.6 percent were on welfare). The table shows that 17.8 percent of the Jobs First group was employed and off welfare. Thus, by dividing 17.8/35.4, one finds that about half of those off welfare were working. Similarly, 40.1 percent of the AFDC group was off welfare, and 24.9 percent were both off welfare and employed. By dividing 24.9/40.1, one finds that nearly two-thirds of those off welfare were working.

Table 2

Connecticut's Jobs First Program

Selected Characteristics of Jobs First Group Leavers and Non-Leavers at the Time of Random Assignment

Characteristic	Jobs First Group	
	Leavers	Non-leavers
Location (%)		
New Haven	74.1	82.8
Manchester	25.9	17.2
Demographic characteristics		
Age (%)		
Under 20	7.0	11.0
20-24	23.0	21.8
25-34	38.8	41.7
35 or over	31.2	25.6
Average age (years)	31	30
Race/ethnicity (%)		
White, non-Hispanic	40.5	33.0
Black, non-Hispanic	34.0	44.6
Hispanic	24.7	21.7
Other	0.8	0.7
Family status (%)		
Marital status		
Never married	60.6	70.5
Married	0.8	1.6
Separated	7.4	5.6
Divorced	13.3	8.8
Widowed	1.5	0.2
Number of children		
None	7.6	7.9
1	48.0	37.6
2	24.7	24.4
3	10.8	17.1
4 or more	6.5	12.1
Youngest child's age		
2 or under	40.1	40.5
3-5	19.9	23.3
6 or over	40.1	36.2
Employment status (%)		
Ever worked	86.9	86.2
Ever worked full time for 6 months or more for one employer	61.3	54.5
Any earnings in past 12 months	48.1	42.5
Employed at random assignment	19.8	17.9

(continued)

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Table 2 (continued)

Characteristic	Jobs First Group	
	Leavers	Non-leavers
Educational status (%)		
Highest degree/diploma earned		
GED[b]	11.7	11.6
High school diploma	47.5	44.6
Technical/2-year college degree	6.5	3.6
4-year (or more) college degree	3.1	1.2
None of the above	31.2	39.0
Enrolled in education or training during the past 12 months	22.4	26.7
Public assistance status (%)		
Aid status		
Applicant	35.0	25.8
Recipient	65.0	74.2
Total prior AFDC receipt[c]		
None	16.7	11.9
Less than 2 years	34.9	25.3
2 years or more but less than 5 years	18.7	19.6
5 years or more but less than 10 years	14.7	23.8
10 years or more	10.0	17.0
Resided as a child in a household receiving AFDC	24.7	27.5
Housing status (%)		
Current housing status		
Public housing	6.5	12.7
Subsidized housing	20.2	27.2
Emergency or temporary housing	2.3	1.1
None of the above	71.1	59.0
Sample size	417	593

SOURCE: MDRC calculations using Background Information Form data.

NOTES: Leavers are defined as those sample members who, according to DSS records, did not receive welfare for at least two consecutive months within the first 18 months of random assignment.

The sample includes members randomly assigned between January and June 1996 who had received welfare since random assignment.

Rounding may cause slight discrepancies in the calculation of sums and differences.

[a]This category includes sample members who were pregnant with their first child at the time of random assignment.

[b]The General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[c]This refers to the total number of months accumulated from one spell or more on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

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their income rises), or other characteristics that are associated with residence in public or subsidized housing. Leavers also were more likely to have one child, while non-leavers were more likely to have 3 or more children. This is not surprising, because families with more children need to earn more in order to lose eligibility for welfare.

While not presented in Table 2, analyses showed a similar pattern of differences between leavers and non-leavers in the AFDC group. In addition, there were few substantial differences between the characteristics of Jobs First group leavers and AFDC group leavers.

V. Employment, Earnings, Cash Assistance, and Food Stamp Usage Over Six Quarters

This section presents data on employment, earnings, cash assistance receipt, and Food Stamp usage from the quarter before sample members exited from welfare to the fourth quarter after exit. As in the previous section, these analyses focus on sample members who left welfare within 18 months after random assignment, and thus do not include recipients who left due to the time limit. As in later sections of the report, the table shows results for the Jobs First group only; outcomes for the AFDC group are discussed in the text.

In addition, this section compares Connecticut's findings to the results of eleven studies funded by the Office of the Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services, which examined individuals and families who left AFDC or TANF between late 1996 and early 1997 in Los Angeles, San Mateo County (California), New York, Washington D.C., Illinois, Arizona, Missouri, Cuyahoga County (Ohio), Wisconsin, Washington State, and Georgia[9]. The data sources and definitions used in this report are comparable to those used in the ASPE studies.

A. Employment and Earnings

The first row of Table 3 shows what percentage of Jobs First group leavers who worked in a UI-covered job in the quarter before they left welfare, the exit quarter, and the first four post-exit quarters. The table illustrates that roughly half of the Jobs First leavers were employed in the exit quarter and in each subsequent quarter. About 63 percent of Jobs First leavers worked at some point within one year of leaving welfare (not shown).

Employment rates for AFDC group leavers (not shown) were consistently higher than for Jobs First group leavers. For example, 65 percent of AFDC group leavers were employed in the exit quarter, and nearly 60 percent were employed in the fourth post-exit quarter. About 73 percent of AFDC group leavers worked within one year after exit.

As noted earlier, MDRC's Interim Report showed that the Jobs First group *as a whole* had higher employment rates than the AFDC group throughout the study period. However, the lower employment rates among Jobs First *leavers* is not surprising, given the results shown earlier in Table 1. It is likely that a similar number of people in both the AFDC and Jobs First

[9] All results from the ASPE-funded leavers studies are drawn from ""Leavers" and Diversion Studies: Summary of Research on Welfare Outcomes Funded by ASPE. "

Table 3

Connecticut's Jobs First Program

Employment and Public Assistance Outcomes for Jobs First Group Leavers

	Jobs First Group Leavers					
Measure	Quarter before exit	Exit quarter	1st quarter post exit	2nd quarter post exit	3rd quarter post exit	4th quarter post exit
Employed (%)	43.6	52.5	48.7	49.2	48.7	49.6
Average earnings among those employed ($)	2,069	2,506	3,369	3,285	3,372	3,516
Received cash assistance (%)	95.9	100.0	10.6	15.6	18.9	18.9
Average cash assistance payments among those receiving assistance ($)	1,368	935	792	1,059	1,200	1,197
Received Food Stamps (%)	93.3	94.0	29.5	30.0	32.6	31.7
Average Food Stamps payments among those receiving Food Stamps ($)	602	460	396	459	490	502

SOURCES: MDRC calculations using Conncecticut unemployment insurance (UI) earning records.

NOTES: This table is based on 417 Jobs First leavers.

Leavers are defined as those sample members who, according to DSS records, did not receive welfare for at least two consecutive months within the first 18 months of random assignment.

The sample includes members randomly assigned between January and June 1996 who had received welfare since random assignment.

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groups left welfare for reasons unrelated to employment.[10] However, the number leaving due to employment is smaller for the Jobs First group because the enhanced earned income disregard raises the level of earnings needed to lose eligibility for assistance. In other words, compared to employed AFDC group members, employed Jobs First group members were more likely to mix work and welfare and less likely to leave welfare. Thus, people leaving for reasons other than employment make up a larger fraction of Jobs First leavers.

The employment rates of Connecticut leavers are generally similar to those measured in the ASPE studies. For example, employment rates in the first quarter after exit ranged from 47 percent to 64 percent in the ASPE studies. The ASPE studies also reported that 35 to 40 percent of leavers worked in all 4 quarters after exit. In Connecticut, about 34 percent of the Jobs First group and 48 percent of the AFDC group worked in all four post-exit quarters (not shown in Table 3). Because the earned income disregard provided to the Jobs First group is one of the most generous in the nation, one would expect the employment rates for Jobs First group leavers to be low relative to other states for the same reason discussed above (i.e., Jobs First group members who find jobs are likely to remain on welfare owing to the disregard). Perhaps not surprisingly, some of the lowest post-exit employment rates in the ASPE studies were found in California and New York, two states that, like Connecticut, provide relatively high welfare grants and have generous earned income disregards.

The second row of Table 3 shows the average quarterly earnings for the Jobs First group leavers who worked in each quarter. The average earnings range from about $3,300 to $3,500 in the post-exit quarters. As noted earlier, under Jobs First, only recipients with earnings above the federal poverty level lose financial eligibility for cash assistance. The federal poverty line for a family of three (the typical Jobs First family) was about $3,400 per quarter in 1998, very similar to the average earnings for employed Jobs First leavers shown in Table 3.

Although not shown in Table 3, average earnings for employed AFDC group leavers were consistently lower than for Jobs First leavers, remaining around $3,000 in each of the post-exit quarters. Once again, this difference is likely driven by the differing eligibility rules for the two groups. AFDC group members lose eligibility for welfare with lower levels of earnings.

As might be expected, the average earnings for employed Jobs First group leavers were at the high end of those measured in the ASPE studies. Once again, mean earnings in the ASPE studies were highest in California and New York, states with high grant levels and generous disregards.

B. Welfare Recidivism

The third row of Table 3 shows the rate of cash assistance receipt among Jobs First group leavers. By definition, 100 percent of the leavers received cash assistance in the exit quarter. About 11 percent were back on welfare in the first post-exit quarter. This rate rose to 19 percent by the fourth post-exit quarter. About 24 percent of Jobs First group leavers ever received cash assistance within one year after exit (not shown).

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[10]The reasons Jobs First members left welfare (before the time limit) without earnings are addressed in Text box 3.1 of the Interim Report. Most sample members requested closure or discontinued contact with the welfare department, moved out of state, or became ineligible because of household composition changes.

AFDC group leavers were more likely than Jobs First group leavers to return to welfare in the first year after exit. About 31 percent of AFDC group leavers received cash assistance at some point in the four post-exit quarters, and 23 percent were receiving welfare in the fourth post-exit quarter (results not shown). Further analysis found that, for both the Jobs First group and AFDC group, individuals who did *not* work in the exit quarter were less likely to return to welfare in the subsequent year than those who did work in the exit quarter. Individuals leaving without earnings comprised a larger proportion of Jobs First leavers, explaining their lower overall rate of recidivism.

The ASPE studies found that 12 to 29 percent of leavers were receiving welfare in the fourth quarter after exit; the few studies that measured cumulative recidivism rates found that 23 percent to 35 percent of leavers ever received welfare within the first year after exit. The rates for both Connecticut groups fall within this range.

The fourth row of Table 3 shows the average amount of cash assistance received in each quarter among Jobs First group leavers who received assistance. Although not shown, payment amounts were quite similar for AFDC group recidivists. This may reflect the similarity of baseline characteristics, especially family size, between the groups.

C. Food Stamps

The fifth row of Table 3 shows the percentage of Jobs First leavers who received Food Stamps in each quarter. The Food Stamp receipt rate dropped sharply, from 94 percent in the exit quarter to about 30 percent in the first post-exit quarter – and then remained fairly constant thereafter.

AFDC leavers were more likely than Jobs First group leavers to receive Food Stamps throughout the post-exit period. Food Stamp receipt rates for the AFDC group (not shown) ranged from 42 to 45 percent in the year after exit. The difference between Jobs First and AFDC leavers' Food Stamp receipt rates is partly explained by the earnings data cited earlier: among those who left welfare for *work*, the Jobs First group had higher earnings, and thus was less likely to remain eligible for Food Stamps.

Somewhat surprisingly, however, Jobs First leavers also had a lower Food Stamp receipt rate among those who left welfare *without* employment. For example, in the first quarter after exit, the Food Stamp receipt rate was 31 percent among Jobs First group leavers who had no earnings in the exit quarter. The comparable rate for the AFDC group was 40 percent. This result is more difficult to explain, but could be related to differences in Food Stamp eligibility rules for the two groups. For example, relative to AFDC, Jobs First allowed families to own more valuable cars and still receive cash assistance. While a family received cash assistance, these rules also applied to Food Stamp eligibility. However, upon leaving cash assistance, both groups were subject to the regular Food Stamp eligibility rules, which are more restrictive with regard to the value of vehicles. Thus, in some cases, Jobs First group members may have owned cars that made them ineligible for Food Stamps when they exited from cash assistance. There are no data available to test this hypothesis.

Most of the ASPE studies found that between one-third and one-half of leavers received Food Stamps immediately after exiting welfare. By the fourth quarter after exit, the ASPE

studies found that Food Stamp receipt rates fell to between 20 to 40 percent. The Jobs First group rates are at the low end of this range, while the AFDC group rates are at the high end.

VI. Characteristics of Leavers at the 18-Month Interim Survey

The leavers in this section are defined as survey respondents who reported not receiving cash assistance at the time of the survey and, according to the administrative records, had not received cash assistance for at least two months before the interview. Thus, unlike in the previous section, the leavers here are examined at different points relative to their exit from cash assistance. That is, the data in this section were collected when leavers were interviewed, which results in exit spells of varying lengths. Among survey respondents, 18 percent of the Jobs First group and 29 percent of the AFDC group are categorized as leavers.[11] Like the previous section, this one includes no information on sample members who left because of the time limit (the survey was administered 18 months after random assignment, before anyone could have accumulated 21 months of cash assistance receipt).

Survey data provide an in-depth look at the lives of sample members 18 months after random assignment. Some of the topics that will be discussed here were also presented in other sections, but the information itself is not redundant. Like Section V, employment and earnings data are also presented here. In this section, however, more information is available about job characteristics. Demographic information, like that presented in Section IV, is presented for the Jobs First group in Table 5, allowing us to assess whether there have been any changes since random assignment. For variables like marital status, this may lead to insight about why Jobs First leavers left welfare.

A. Employment and Earnings

Table 4 shows the characteristics of the current job held by Jobs First group members who were employed when the survey was administered. The first column focuses on employed leavers and the second column on employed non-leavers.[12]

Most of the employed leavers were working at least 30 hours per week and earned at least $7.50 per hour. Nearly half reported that they earned $1,500 per month or more. The relatively high monthly earnings reflect the fact that only people with relatively good jobs are able to earn their way off welfare with the generous Jobs First disregard. As expected, employed respondents

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[11] Twenty-six respondents had not received welfare for 2 or more months at the interview date according to administrative records but these people reported receiving welfare on the survey. These people were not considered "survey leavers" and instead fall in the non-leaver category

[12] The top row of the table shows that 70 percent of Jobs First leavers were working according to the 18-month survey. This figure is considerably higher than those reported in Table 3 for three main reasons. First, the definition of a leaver is somewhat narrower in this section; individuals who left welfare and then returned are not considered leavers in this analysis if they received benefits in the month before the survey interview. Second, the survey picks up some employment that is not measured in the UI records. Third, individuals who responded to the survey appear to have somewhat different outcomes than the full sample. For example, when the UI employment variables are examined for Jobs First group survey respondents using Table 3's definition of a leaver, post-exit employment rates are 58 to 61 percent in the 4 quarters after exit. These figures are somewhat higher than those shown in Table 3 for all leavers.

Table 4
Connecticut's Jobs First Program

Characteristics of Primary Job Held by Employed Leavers and Non-Leavers at Time of 18-Month Interview

Characteristic	Jobs First Group	
	Leavers	Non-leavers
Proportion of Each Group Employed at Survey (%)	69.6	50.9
Among Employed Sample Members		
Monthly earnings (%)		
Earned $0-$499 per month	3.8	22.2
Earned $500-$999 per month	17.1	41.5
Earned $1,000-$1,499 per month	29.6	23.9
Earned $1,500 or more per month	45.7	8.0
Missing information on earnings	3.8	4.4
Hourly wage (%)		
Earned less than $6.00 per hour	12.7	29.8
Earned $6.00-$7.49 per hour	13.3	26.7
Earned $7.50-$11.99 per hour	47.9	33.8
Earned $12.00 or more per hour	22.3	5.5
Missing information on hourly wage	3.8	4.2
Weekly hours (%)		
Worked 0-14 hours per week	5.4	11.3
Worked 15-29 hours per week	13.7	39.1
Worked 30-44 hours per week	63.1	40.7
Worked 45 hours or more per week	17.7	6.0
Missing information on hours worked	0.0	2.8
Job offers health insurance (%)		
Self-employed	0.0	2.7
Employed, job offers health insurance	74.6	31.7
Employed, job does not offer health insurance	25.4	63.4
Data not available	0.0	2.2
Enrolled in job health insurance (%)		
Self-employed	0.0	2.7
Enrolled in health insurance	36.9	6.9
Offered health insurance, did not enroll	37.7	24.8
Not offered health insurance	25.4	63.4
Data not available	0.0	2.2
Job provides paid sick days (%)		
Self-employed	0.0	2.7
Employed, job offers paid sick days	64.2	31.6
Employed, job does not offer paid sick days	35.8	62.2
Data not available	0.0	3.4

(continued)

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Table 4 (continued)

Characteristic	Jobs First Group	
	Leavers	Non-leavers
Job provides paid vacation/holidays (%)		
Self-employed	0.0	2.7
Employed, job offers paid vacation	81.9	50.3
Employed, job does not offer paid vacation	18.1	45.5
Data not available	0.0	1.5
Typical work schedule (%)		
Regular daytime shift	71.1	49.0
Regular evening/night shift	11.2	22.6
Irregular/split/rotating shift	17.7	27.7
Data not available	0.0	0.7
Sample size	48	149

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: Leavers are defined as those sample members who reported not receiving welfare on the survey and who, according to DSS records, did not receive welfare for at least two consecutive months prior to their interview date.

The sample includes survey respondents who had received welfare since random assignment.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

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who were still on welfare were much more likely to hold very low-wage or part-time jobs (i.e., these individuals were, by definition, not earning enough to lose eligibility for welfare).[13]

Although not shown, the survey data, like the UI data, found that employed Jobs First leavers were earning more than employed AFDC leavers. Again, this likely reflects the higher threshold for losing welfare eligibility. In addition, Jobs First leavers' jobs were more likely to offer benefits — including health insurance and paid sick and holiday leave — than the AFDC leavers' jobs; provision of these benefits is probably correlated with the wages and hours of employment. In general, the earned income disregard meant that Jobs First group did not leave welfare for work (prior to the time limit) unless they had relatively good jobs.

B. Miscellaneous Demographic and Household Information

Table 5 presents miscellaneous demographic and household characteristics reported on the survey for all Jobs First leavers and non-leavers (not just the employed respondents included in Table 4). Consistent with the baseline data, 18 months later Jobs First leavers were less likely than non-leavers to be living in public or subsidized housing. Jobs First leavers also had more household income, despite similar household sizes, than the non-leavers. Jobs First leavers were less likely than non-leavers to be covered by Medicaid; this is because Medicaid covers almost everyone who receives cash assistance, but not everyone who leaves.

Compared to AFDC leavers, Jobs First leavers were less likely to be divorced and had higher personal income (not shown). Perhaps because of expanded eligibility for transitional Medicaid benefits, Jobs First leavers were more likely to be covered by Medicaid and less likely to have other sources of health insurance than AFDC leavers were. Specifically, 71 percent of leavers in both groups were covered by health insurance when interviewed. However, the rate of Medicaid coverage was 60 percent for the Jobs First group and 48 percent for the AFDC group (not shown).

Table 6 attempts to address concerns about the state of the Jobs First group members who are neither working nor receiving welfare by comparing miscellaneous characteristics among three Jobs First subgroups (the latter two of which are leavers): those who were receiving welfare, those who were not receiving welfare and were employed, and those who were not receiving welfare and were not employed. Again, the small sample sizes, particularly for the not-employed leavers, mean that caution is needed in interpreting the results.

In general, it appears that non-working leavers are worse off on several measures than either working leavers or non-leavers. Those who were neither working nor receiving welfare were more likely than the other two groups to be married or separated and to be living rent-free with family or friends (although there is no difference in the fraction of each group living with at least one other adult). However, they were more likely to be living in a shelter or group home, or to be homeless. They were also less likely to be covered by any form of health insurance and to have improved their housing situation since random assignment. They had the lowest personal and household income. No information is available on why these families left assistance, although it is interesting to reiterate a finding from the earlier analysis: sample members who left welfare without earnings were *less* likely to return to welfare than those who left with earnings.

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[13] The reader should note that the sample sizes on this table are small and any inference made about the difference between leavers and non-leavers should be considered tentative at best.

Table 5

Connecticut's Jobs First Program

Miscellaneous Characteristics of Jobs First Group Leavers and Non-Leavers at Time of 18-Month Interview

Characteristic	Jobs First Group	
	Leavers	Non-leavers
Marital status and childbearing		
Marital status (%)		
Married and living with spouse	10.0	3.5
Separated	19.2	15.7
Divorced	14.0	16.4
Widowed	1.1	1.1
Never married	55.6	63.4
Change in marital status since random assignment (%)	19.6	17.6
Housing		
Residential status (%)		
Owns home	1.1	1.8
Rents home alone or with family/friends	86.7	92.3
Lives rent-free with family or friends	8.0	3.9
Other (shelter, homeless, group home)	4.2	1.6
Currently living in public or subsidized housing (%)	33.0	50.8
Number of residents in household, including respondent		
Average total number living in household	3.5	3.6
Average number of adults in household	1.7	1.5
Average number of minors in household	1.8	2.1
Health insurance in prior month		
Respondent covered by Medicaid	59.6	91.6
Respondent covered by non-Medicaid health insurance	11.2	3.9
Respondent covered by any health insurance	70.7	95.6
Economic well-being		
Average amount in savings ($)	239	148
Owns car (%)	46.4	31.1
Moved since random assignment (%)		
Moved to a better place	28.2	25.6
Moved to a worse place	7.4	3.5
Moved to a place that was about the same	18.0	15.9
Child support received in prior month (%)	24.6	18.2
Average child support payments received by respondent in prior mo	85	42
Total income in the month prior to interview ($)		
Average total income for respondent ($)[a]	1,044	969
Average total income for other household members ($)[a, b]	472	162
Sample size	69	293

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: Leavers are defined as those sample members who reported not receiving welfare on the survey and who, according to DSS records, did not receive welfare for at least two consecutive months prior to their interview date.

The sample includes survey respondents who had received welfare since random assignment.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

[a] Total income includes AFDC/TFA and Food Stamp benefits, child support, earnings from employment, and income received from other sources.

[b] Total income for other household members includes only income that the respondent reported is used to support her and her children.

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Table 6

Connecticut's Jobs First Program

Miscellaneous Characteristics of Jobs First Group Leavers and Non-Leavers, By Welfare and Employment Status, at Time of 18-Month Interview

Characteristic	On welfare	Off welfare and working	Off welfare and not working
Marital status and childbearing			
Marital status (%)			
Married and living with spouse	3.5	8.2	14.2
Separated	15.7	13.2	33.7
Divorced	16.4	15.5	10.6
Widowed	1.1	0.0	3.9
Never married	63.4	63.2	37.7
Change in marital status since random assignment (%)	17.6	17.5	24.8
Housing			
Residential status (%)			
Owns home	1.8	1.6	0.0
Rents home alone or with family/friends	92.3	90.8	76.9
Lives rent-free with family or friends	3.9	5.3	14.2
Other (shelter, homeless, group home)	1.6	2.2	9.0
Currently living in public or subsidized housing (%)	50.8	31.3	36.9
Number of residents in household, including respondent			
Average total number living in household	3.6	3.3	3.8
Average number of adults in household	1.5	1.7	1.7
Average number of minors in household	2.1	1.7	2.0
Health insurance in prior month			
Respondent covered by Medicaid (%)	91.6	58.4	62.3
Respondent covered by non-Medicaid health insurance (%)	3.9	15.8	0.0
Respondent covered by any type of health insurance (%)	95.6	74.3	62.3
Economic well-being			
Average amount in savings ($)	148	330	23
Owns car (%)	31.1	51.7	33.7
Moved since random assignment (%)			
Moved to a better place	25.6	34.7	12.6
Moved to a worse place	3.5	6.0	10.5
Moved to a place that was about the same	15.9	16.4	21.6
Child support received in prior month (%)	18.2	25.1	23.3
Average child support payment respondent received in prior month($	42	72	115
Total income in the month prior to interview ($)			
Average total income for respondent ($)[a]	969	1293	479
Average total income for other household members ($)[a, b]	162	566	232
Sample size	293	48	21

SOURCE: MDRC calculations using Interim Client Survey data.

NOTES: Leavers are defined as those sample members who reported not receiving welfare on the survey and who, according to DSS records, did not receive welfare for at least two consecutive months prior to their interview date.

The sample includes Jobs First survey respondents who had received welfare since random assignment.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Measures in this table represent weighted averages. To compensate for differences in the proportion of subgroup members chosen to be surveyed, respondents were weighted by the inverse of the probability of being chosen to be interviewed.

[a] Total income includes AFDC/TFA and Food Stamp benefits, child support, earnings from employment, and income received from other sources.

[b] Total income for other household members includes only income that the respondent reported is used to support her and her children.

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VII. The Time Limit

Most Jobs First group members in the full sample did not reach the time limit within the follow-up period for the March 2000 Interim Report. Twenty-four percent of the Jobs First group reached the time limit 21 months after their random assignment date; that is, they received TFA benefits continuously and were never exempt. Another 15 percent reached the time limit between 22 and 30 months after random assignment. In other words, 61 percent of Jobs First group members still had months remaining on their time limit clocks 30 months after enrollment. Most of these individuals left welfare, at least temporarily; others were exempt from Jobs First and its time limit for at least part of the period they received benefits.

Fewer than half of those who reached the time limit had their benefits discontinued at that point; most of those whose cases were closed were working and had income above $90 over the maximum grant for their family size. Just over half of those who reached the time limit were granted a six-month extension at that point because they had income below the payment standard and were deemed to have made a good-faith effort to find a job. The cases of only a few recipients with income below the payment standard were closed; thus, few people were referred to the Safety Net program designed to assist such families.

This section discusses Jobs First group members who were part of the early cohort and who left welfare by March 1998. This cutoff was chosen to allow at least 15 months of post-exit follow-up for each sample member. The leavers presented in Table 7 are separated according to whether or not they left welfare because of the time limit. The leavers who left for reasons unrelated to the time limit had been off of welfare for two or more consecutive months.[14] Leavers who left because of the time limit are presented regardless of whether they were off welfare for two or more consecutive months.

The results for the non-time limit leavers are very similar to those shown in Table 3 (the small differences stem from the slightly different sample used in this section). The table shows that leavers who left because of the time limit had substantially higher employment rates across all 5 quarters. This is not surprising, because most of the recipients whose cases were closed at the time limit were employed; most of the others who reached the time limit received at least one extension. In contrast, those who left welfare for reasons unrelated to the time limit left for a variety of reasons.

As expected, those who left because of the time limit had lower post-exit recidivism rates (this group could only return to welfare under fairly restrictive conditions). Post-exit Food Stamp receipt and payment amounts were higher among those who left because of the time limit. This may be because individuals who reached the time limit were called in for an exit interview to discuss extensions, during which their Food Stamp eligibility was redetermined. Many of the non-time limit leavers may have left welfare without any contact with DSS, thereby losing their eligibility for Food Stamps.

[14] A very small number of the Jobs First group members who are defined as having "left welfare for reasons unrelated to the time limit" were, in fact, sanctioned off of welfare during an extension.

Table 7

Connecticut's Jobs First Program

Employment, Welfare Use, and Food Stamp Receipt for Welfare-Leavers Relative to the Quarter Left Welfare, by Reason for Leaving Welfare

Outcome	Left welfare because of time limit [a]	Left welfare for reasons unrelated to time limit [b]
Quarter prior to exit		
Ever employed (%)	87.0	46.3
Average earnings among employed ($)	2,635	2,094
Ever received any TFA (%)	100.0	96.4
Average total value of TFA among those receiving welfare ($)	1512.17	1,377
Ever received any Food Stamp payments (%)	94.3	93.1
Average total value of Food Stamps among those receiving Food Stamps ($)	713	604
Exit quarter		
Ever employed (%)	87.0	54.7
Average earnings among employed ($)	2,925	2,594
Ever received any TFA (%)	100.0	100.0
Average total value of TFA among those receiving welfare ($)	1,034	931
Ever received any Food Stamp payments (%)	93.5	93.5
Average total value of Food Stamps among those receiving Food Stamps ($)	623	459
First quarter after exit		
Ever employed (%)	87.8	50.5
Average earnings among employed ($)	2,966	3,363
Ever received any TFA (%)	3.3	10.5
Average total value of TFA among those receiving welfare ($)	1564	785
Ever received any Food Stamp payments (%)	66.7	30.4
Average total value of Food Stamps among those receiving Food Stamps ($)	532	413

(continued)

Table 7 (continued)

Outcome	Left welfare because of time limit [a]	Left welfare for reasons unrelated to time limit
Second quarter after exit		
Ever employed (%)	82.9	51.2
Average earnings among employed ($)	3,046	3,271
Ever received any TFA (%)	4.9	15.3
Average total value of TFA among those receiving welfare ($)	1776	1084
Ever received any Food Stamp payments (%)	52.0	31.2
Average total value of Food Stamps among those receiving Food Stamps ($)	579	474
Third quarter after exit		
Ever employed (%)	77.2	50.7
Average earnings among employed ($)	3,485	3,336
Ever received any TFA (%)	4.1	18.2
Average total value of TFA among those receiving welfare ($)	1068	1183
Ever received any Food Stamp payments (%)	48.8	33.1
Average total value of Food Stamps among those receiving Food Stamps ($)	646	498
Sample size	123	477

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members who were randomly assigned between January and June 1996, who received welfare since random assignment, and who left welfare by March 1998.

[a] Sample members are considered to have left because of the time limit if they received 21 countable months of TFA and they did not receive TFA in the following month.

[b] A very small number of people in this group left TFA because of the time limit; they initially received an extension and then were sanctioned off TFA during the extension period.

VIII. Conclusion

This report shows that one of the key effects of Connecticut's unusually generous earned income disregard is that individuals who left welfare for work before reaching the time limit typically had relatively good jobs and did not return to welfare quickly. Also, because of the way Connecticut's time limit is implemented, sample members who left owing to the time limit were very likely to be employed.

The report also shows, however, that many of the leavers face difficult economic circumstances. A large proportion lack health insurance, and many have low household income. To a large extent, this pattern is driven by the sample members who left welfare and are not working. However, more study is needed to better understand the circumstances of this group; sample sizes in this analysis are very small. In addition, it is clearly important to learn more about the individuals who were unable to leave welfare.

Finally, the report illustrates that any study of welfare leavers must carefully consider the rules of the welfare program from which leavers exited. In Connecticut, there are some large differences in the characteristics of leavers under Jobs First and AFDC, but almost all can be explained by differences in the eligibility rules the two groups faced.